NMFS Webinar: Proposed Rule on a U.S. Seafood Traceability Program

Presenters:	*John Henderschedt, Director, Office of International Affairs and Seafood Inspection* *Christopher Rogers, Assistant Director, Office of International Affairs and Seafood Inspection*

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Coordinator:	Welcome and thank you for standing by. At this time, all participants are on a listen-only mode until the question and answer session of today's conference. At that time, to ask a question, please press Star 1 on your touchtone phone and then record your name clearly at the prompt. This call is being recorded. If you have any objections, you may disconnect at this time. I would now like to turn the call over to Ms. Laurel Bryant. Ma'am, you may begin.
Laurel Bryant:	Thank you, (Susan), and good afternoon everybody. Thank you for joining us this afternoon. This is our first public Webinar on the proposed rule for a Seafood Import Traceability Program. With me today in the room, I have John Henderschedt, Director of the Office of International Affairs and Seafood Inspection. And with John, is his Assistant Director for International Fisheries, Chris Rogers. Before I turn the mic over to them, you'll be hearing a presentation. John will go through some detailed walk-through of this proposal. Then, we will be opening it up for statements and any clarifying questions you have. But I want to make a couple of notes. One, if anything goes wrong -- you get

disconnected, something's not working -- everything is posted on the Web portal at www.iuufishing.noaa.gov. You will find a PDF of the PowerPoint that John will be referencing today. We also will be posting the transcripts and the recordings of this meeting on the Web portal once we get those through.

And the last point that I want to make is that I know that there is an interactive window on the Webinar WebEx window -- please do not use that. If you want to make a statement, comment or ask a question, I want - you need to go through the Operator because that's where our recording is being made and that's where we're having the most interface.

And with that, I will turn it over to John Henderschedt. John.

John Henderschedt: Good afternoon everyone and thank you very much for joining us for -- as Laurel said -- our first Webinar. Could I have the next slide, please?

So just to cover the program for this afternoon -- I'm going to describe some very basic background and context for this proposed rule-making -- then go through a general description of the proposed Traceability system. Going to focus more specifically on the proposed data elements for this Traceability system -- describe some next steps -- and then finally hear your comments and questions.

I would like to note that my presentation of this proposed rule-making is going to be very basic in nature. There are many more details and many more specific requests for comments in the Preamble and the proposed regulatory text. And I encourage you to pay close attention to those details in formulating your comments -- both your comments obviously today -- but particularly your written comments -- should you choose to submit those.

So the Presidential Task Force on combating IUU fishing and seafood fraud was established under a Presidential memo in June of 2014 at the Our Ocean Conference. That Task Force was co-chaired by NOAA in the State Department and it involved senior-level representatives from 10 federal agencies and five executive offices of the President.

The work of the Task Force was informed by public engagement, including requests for comments through a Federal Register Notice, public meetings and international (unintelligible). And this Task Force developed its recommendations and forwarded them to the President in December 2014.

In the following March of 2015, the Task Force released a detailed action plan which spells out steps for implementing each of the 15 recommendations that emerged from its work. At the same time, oversight of this work was transitioned from the Task Force to a standing committee of the National Ocean Council for implementation and oversight.

So to speak specifically to the Traceability components and timeline, Recommendations 14 and 15 speak to directing the Task Force -- with input from US industry and other stakeholders -- to identify and develop within six months a list of the types of information and operational standards needed for an effective Seafood Traceability Program.

To combat seafood fraud and IUU seafood into US Commerce -- and any other recommendations to direct the Task Force to establish within 18 months the first phase of a risk-based Traceability Program to track seafood from point of harvest to entry into US Commerce.

So through these two recommendations, were established both the elements, the scope and the timeline for this Seafood Traceability Program. This process

included developing principles for identifying at-risk species, the development of a draft and a final list of at-risk species of IUU fishing and seafood fraud. It included public comment and review of those comments regarding minimum standards and data necessary for a Traceability Program.

It includes integration with the International Trade Data System -- something that I will address in more detail momentarily. One of the other recommendations in the action plan has to do with addressing species' names and codes. And the work of that working group -- or some of their recommendations -- are reflected in the proposed rule that we're discussing today.

There's the Traceability rule making itself and as you know we are now at the point of public review of a proposed rule. I'll be describing the timeline for comments and for publication of a final rule later in this presentation. Also for information sharing -- for the development of a Trusted Trader Program -- as a component of the Traceability Program. And finally -- a process for evaluation and expansion of this Seafood Traceability Program.

So now to get into some of the details of the program. The data system through which this system will work is called the International Trade Data System. It is a interagency, unique single-window data portal through which all US import and export data will be entered. So all client agencies -- all agencies that require data at the time of import or export will be collecting those data through this International Fisheries -- International Trade Data System.

NOAA Fisheries published a proposed rule implementing a transition of its existing permit documentation programs for Tuna, Swordfish and Chilean Sea

Bass transitioning that to the International Trade Data System and comments on that proposed rule close later this month on the 29th of February.

As part of that transition, we've established the International Fisheries Trade Permit. This will be a unique identifier for importers of record and the requirement for that permit will be expanded to importers of the species to which this Seafood Traceability Program applies.

So the ITDS proposed rule establishes the International Fishery Trade Permit to consolidate the existing permit programs -- those that I described previously. And then this Traceability proposed rule extends the International Fisheries Trade Permit to include importers of record of species covered by the rule.

So with respect to this risk-based Traceability system, this required of course identifying a list of principles for establishing a list of species at particular risk of IUU fishing and seafood fraud. In response to public comment, the following principles were developed.

Enforcement capability, catch documentation schemes, complexity of the chain of custody and processing. Species misrepresentation, mislabeling or other misrepresentation, history of fishing violations, human health risks -- and that would be as a result of mislabeling and species substitutions.

So those principles were applied to a list of candidate species and an interagency group of experts utilizing government records, as well as public comment, developed a list of the following at-risk species. Abalone Atlantic Cod, Blue Crab, Dolphin fish, Grouper, King Crab, Pacific Cod, Red Snapper, Sea Cucumber, Sharks, Shrimp, Swordfish, Albacore, Bigeye, Skipjack and Yellowfin Tuna.

So essentially these are the species to which this risk-based Traceability Program -- or its first phase of implementation -- will apply. I will also note that the proposed rule applies as well to Bluefin Tuna and as described in the Preamble to the proposed rule, Bluefin Tuna is not considered to be at the same risk as those species on this list of at-risk species.

However, there were concerns about treatment of Tuna species in the marketplace and ensuring that there was not favorable treatment driven by inclusion in this Traceability Program -- and for that reason, the proposed rule applies to the four Tuna species listed there, as well as Bluefin.

I'd like now to move to the data elements -- and I want to point out a few things in advance. First of all, please pay attention to those elements which are considered reporting elements -- and then finally I will describe a set of elements that are considered to be recordkeeping elements.

Also, just a reminder that this rule applies to imported fish and fish products. These data elements will be reported by the Importer of Record or by their Customs Broker at the time of import. With respect to domestic fisheries, the Seafood Traceability Program applies to the same species domestically. However, NOAA has determined that through existing state and federal data collection processes, it has access to all necessary data to implement a comparable Traceability effort relative to domestic fisheries.

And so there is no - there are no additional reporting requirements for domestic wild capture fisheries. We have identified certain gaps in data available for domestic aquaculture operations for squid - for - not for squid - for Abalone and for Shrimp. And so we are working with state and federal partners to attempt to close those gaps. And as described in the Preamble to

the rule, we'll need to close those gaps in order to implement this program for those species along the same timeline as the remaining species.

So with that, I'm going to walk through several categories of data elements that serve as the underpinning for this Traceability Program. First of all, information with respect to the harvesting or processing entity -- so the name and flag state of the harvesting vessel or vessels. Evidence of authorization to fish -- things like fishing permits -- unique vessel identifier when available. The type or types of fishing gear used -- and in the case of aquaculture -- the name or names of the farm or aquaculture facility.

I will note that we have also published model forms -- these are intended to be truly models or examples. We intend to implement this rule with a great deal of flexibility and to the extent that existing forms and documents provide the same information -- are considering those to be acceptable throughout this suite of data elements.

So moving on to the next reporting data elements -- information on the fish harvested or produced. So this would be the species of fish including scientific name, acceptable market name and the FAO -- Fisheries and Aquaculture Code Number -- a product description, the name or names of the product and the quantity and/or the weight of the fish or fish product.

Moving next to the reporting data elements for information on where and when the fish was harvested, produced and landed. That would include the harvest date or dates, the area or areas of wild capture or aquaculture harvest, point of first landing and the name of the entity or entities to which the fish was landed.

All of these data elements that I just described would be reported through the International Trade Data System by the Importer of Record at the time of import. However, a Traceability Program really needs to cover the entire chain of custody -- and in this case -- the scope of the Traceability Program is from harvest or production to the point of entry into US Commerce.

So in addition to the reported data elements having to do with the, who, what, where and when, there's chain of custody information that is a recordkeeping data element.

So I'm going to read directly from the Preamble that additional information on each point in the chain of custody regarding the shipment of the fish or fish product to point of entry into US Commerce would be established as a recordkeeping requirement on the part of the Importer of Record to ensure that information is readily available to NMFS to allow it to trace the fish or fish product from the point of entry into US Commerce back to the point of harvest to verify the information that is reported upon entry.

And again, as I mentioned with respect to the model forms, we're proposing that if there are existing generally accepted business documents that capture this information -- that those records would be acceptable in fulfilling this requirement.

So if we could go to the next slide please. So opportunities for public input. As I described earlier, we took and put on the species at-risk principles and as well as the data and standard comments. Those comments are reflected in the design of the proposed rule that we're discussing today -- and for the draft principles in the species at-risk comments.

We are now -- as you know -- in the public comment period for the proposed rule on the Traceability Program and later this spring we'll be publishing a Request for Comments on the elements and the design of a trusted Trader Program. So we're seeking detailed comments from all interested stakeholders.

The document containing the proposed regulatory language and the Preamble can be found at www.regulations.gov. This is one of three public listening sessions -- we're having another conference call at the same time on Wednesday, the 24th of February -- and an in-person public meeting at the Seafood Expo North America on March 7 from 11:00 to 1:00 Eastern time in Room 104A.

Finally I just want to remind folks that this Traceability Program is part of a much broader effort -- as I described 15 recommendations by the Task Force addressing IUU fishing and seafood fraud. Work accomplishments, development, opportunities to engage are all described at the portal developed for the work of the Task Force and for the work of the National Ocean Committee - National Ocean Council Committee and that can be found at www.iuufishing.noaa.gov.

I want to thank you again in advance for your comments and your questions. We'll do our best answer any clarifying questions that you may have and welcome any comments. Thank you.

Laurel Bryant: Thanks, John. And Operator, I think now we're going to turn over -- as John said -- clarifying questions. This is also the time to take your comments and why don't we reinstruct folks how to get in the queue?

Coordinator:	Very good, thank you. As we begin the question and answer session to ask a question, please press Star 1 on your touchtone phone. Un-Mute your phone and record your name clearly when prompted, as your name will be required to introduce your question. To withdraw your question, please press Star 2. One moment please, for any incoming questions.
	One moment as our first question queues up. Thank you our first question is from (Josh Thurn). Sir, your line is open.
(Josh Stern):	It's actually (Josh Stern), but that's okay. I have two questions. For the import permit cost, it said in the document somewhere that this is $60,000. It was unclear -- is that the cost of the permit per-importer or is that something else?
Chris Rogers:	Hi, this is Chris Rogers. No, that was the total cost estimated for all of the permit fees that will be collected under this program. We estimated that about 2000 individuals would be required to get the permit based on the commodities covered by the rule that lists the species that John went through based on...
(Josh Stern):	So on that...
((Crosstalk))	
(Josh Stern):	...basis, effective 30 bucks a permit or something?
Chris Rogers:	That's correct. So 30 bucks a permit, times our estimate of 2000 permits.
(Josh Stern):	Okay and then as long as I'm talking, what's the difference between the area of wild capture or aquaculture harvest and the locations of the aquaculture facility?

John Henderschedt: So the - ultimately the data elements would -- as you would expect -- have the location of an aquaculture facility and the location or locations of fishing operation. I'm not sure where you're drawing that distinction, but there's no intended redundancy -- its area of fishing operations and point of landing with respect to wild capture and location of the aquaculture facility for aquaculture. Thanks (Jeff).

Laurel Bryant: Thank you.

Coordinator: And our next question is from (Carl Salamon). Sir, your line is open.

(Carl Salamon):   Hi, okay, question on species that will be comingled. You mentioned Blue Crab and you mentioned Tuna -- so Blue Crab is comingled and canned and Tuna is comingled and canned. So how far back would that requirement be for Traceability of these products?

John Henderschedt: So as I described, the scope of this Traceability Program is from point of entry into US Commerce back to the harvest -- or the production of the species. And to the extent that there are - that there is comingling of different harvest events in one unit of product, then we are assuming that we would receive information on multiple harvest events that led to the production of that quantity of import. Thank you.

Coordinator: Thank you, our next question is from (Ario Artsem). (Roberta), your line is open.

(Roberta Olias):   Okay, this is (Roberta Olias) just to clarify the name. Thank you for the opportunity to provide a comment and for the tremendous amount of work it took to get us to this point. We are looking at the proposed rule very carefully

because we know what a water shed this is for (unintelligible) sustainability and the lives and livelihood of individuals and communities around the world.

The overall system that the Task Force has proposed is an information Traceability and real-time analysis is the right one. We would like to raise four issues today that (WWF) urges the Task Force to clarify in the final rule. Those include commandments to finish the job beyond this administration, electronic information, verification in Shrimp and Abalone.

On the first point, Task Force leaders -- including Dr. (Sullivan) -- have publicly stated on many occasions that the attention is ultimately achieve a comprehensive rule. The President outlined high ambitions for the Task Force and promised a system that would apply to all species.

More is still needed to meet the President's ambitions. The global reach and shipping nature of bayou fishing are too great to apply a system to only certain species. This is compounded by the fact that it would be far too easy -- given what we already know about seafood fraud -- for the bad guys to simply import an at-risk species as one not included (a bad risk).

We need to make sure that the final regulations articulate a clear commitment, a set of tools and a timeline to finish the job. Finally, we must ensure that champions who lead this process to a successful conclusion remain in place across responsible agencies to get the work done.

Our second point is electronic information. The proposed regulations include language (to save) in the requirements and systems as ITDS matures. On that note, we appreciate the (parallel) process that NOAA is conducting to test ITDS for seafood and we recognize the challenges that still lay ahead.

In looking at these two related processes, we hope that NOAA -- in conjunction with (CBP) -- will put in place systems to receive all information in a truly electronic format rather than just a scanned or PDF document. Before the implementation date or at set - or at some set time thereafter, the value of the system -- in terms of real-time verification and compliance risk assessment -- cannot be achieved without that change.

In terms of our third point of verification, the Task Force must also establish a clear verification system to ensure the accuracy of product information. The success of this program rests on improved information. The program will only be as good as the strength of that information and the government's ability to differentiate between as likely accurate from information that is not.

Finally, our fourth issue -- Shrimp and Abalone. We hope that issue surrounding Shrimp and Abalone can be addressed as quickly as possible. The US imports the vast majority of the Shrimp that we consume in this country -- both from wild caught and aquaculture operations. While domestic aquaculture is marginal in comparison, you must not let the exception swallow the rule.

The NOC committee -- in concert with the state -- must work together to find a solution to allow Shrimp and Abalone to comment online by the implementation date. Again, congratulations to all of you for this important step in working to prevent IUU products from entering the US market.

John Henderschedt: (Roberta), thank you very much for your comments. I would like to clarify that for the proposed seafood import rule, there are no requirements for scanned document images. There will be direct data input requirements as I walk through those data elements. And also, I would just call the public's attention to the section of the Preamble that describes an anticipated shift from

recordkeeping of chain of custody information to electronic reporting of key chain of custody information as the development of ITDS allows. So that's a longer term ambition, but described in the Preamble to the proposed rule.

Thanks again.

Laurel Bryant: Next question, Operator - or comment?

Coordinator: Currently, we have no further questions. Again, if you'd like to ask a question, please press Star 1, un-Mute your phone and record your name clearly at the prompt. One moment please speakers. Thank you, our next question is from (Todd Clark). Sir, your line is open.

(Todd Clark):   Yes, hi, just a couple of quick questions on HTS codes. While some of the HTS codes have a direct correspondence to at-risk species, other HTS codes -- particularly for processed product -- may be broader. In such cases, supplementary product identifiers supplied at the entry filing -- such as acceptable market names, scientific name, etcetera, would be used to determine if the shipment includes at-risk species and is subject to additional data collection.

The question is, who's responsible for this additional data collection?

John Henderschedt: Good afternoon, (Todd), thanks for your question. I believe that first of all, the answer to the question of who is responsible is the Importer of Record is - will be responsible for providing any of the information required under this rule making. That would include providing the additional data elements that would determine whether or not the Traceability data elements are required as well.

Coordinator: Thank you and our next question is from (John Simeone). Sir, your line is open.

(John Simeone): Thank you very much for the ability to comment. Two questions -- one is to piggyback off the last question which is about the HTS codes. In particular, when for example -- when we think of crab -- (can) the HTS code only provides for King Crab and the acceptable King Crab is three species under US kind of standard commodity naming. Whereas what's identified by the IUU fishing group is just Red King Crab.

Oftentimes, when you look at Bills of Lading from importers, there are several times under one Bill of Lading all three species will be listed. So my first question -- and their volumes -- it will not be different Bills of Lading -- it will often be three clumped into one for all three different species.

So is the expectation that - then the importer would need to reregister under three times -- so essentially three separate Bills of Lading?

And my second question relates to the verification that of the additional information that is needed in terms of the transshipment and processors. I understand it would go through an MFS and my questions pertains to the fact that as we know a lot - in a lot of illegal (flow), there is falsified documentation.

So just the submission of documentation without any sort of verification will not actually adequately verify for the US Government that is not IUU product entering the supply chain. And so I understand that it would go through an MSF to be - to have the possibility of being checked. But if I - I'm mainly interested in knowing about the additional perhaps personnel requirements that (MFS) would be required to get in order to actually verify all of this.

Thank you.

John Henderschedt: Thanks, (John). I'm going to address your second question and look to Chris to address your question with respect to HTS codes. Obviously the agency and its partner agencies will take a risk-based and strategic approach to auditing, verifying and when necessary pursing enforcement action with respect to reviewing these, import data and addressing potential IUU imports.

Not in a position to comment specifically on (FTEES) or level of coverage -- that's generally something that the agency does not address specifically. But as you point out, enforcement of this will be through a - essentially through an audit and verification process to ensure that the data provided are accurate and provide the necessary -- or the requested Traceability.

So I will -- for your HTS code question -- ask Chris to address.

Chris Rogers: Okay, (John), for the question -- I don't know whether you do your own (FT) files - filings or you have a Customs Broker do that for you. But when the (unintelligible) entry summary is made, it will be by the Harmonized Tariff Schedule Code. Each code used in a entry filing would have a separate line -- an entry line.

In the example you gave, if you were doing one entry line for King Crab, but it contained several species, we would require the descriptor -- the species description. As we indicated several alternatives are under consideration in the proposed rule -- whether we have the scientific name or the FAO -- what we call the 3-alpha species description.

In certain cases -- and this is common in ITDS -- as other agencies are coming on board. If there's a situation where it's possible to use a disclaimer -- in other words if your shipment was King Crab -- but did not contain Red King Crab -- you could use a disclaimer.

So that would be the only information required. Either a species' name/code or a disclaimer to signal that, "Yes, I'm using that Harmonized Tariff Schedule Code that could be used to collect additional information, but it is in the programming perspective -- required or not required in this case."

So you indicate through the species descriptor or a disclaimer that it does not contain the species subject to additional information. If you don't do that, then the programming would expect all of the additional information to be filed with that entry -- it will reject the entry without that information.

John Henderschedt: Thanks, (John).

Coordinator: Thank you, our next question is from (Jeff Kaylin). Your line is open.

(Jeff Kaylin):   Yes, thank you. Thanks, John and Laurel. I guess just wanted to have a couple comments, you know, I'm - I know that you did respond to a lot of the domestic industries' concerns. You've allowed the FDA common name to be used for example. But I remain very concerned about the requirement to go back to the boat.

This is absolutely going to be a precedent for what will eventually happen in the United States -- I'm certain of it. This campaign has a lot of horsepower. So we're continue - we continue to be opposed to going back to the boat. (Carl) raised the issue about comingled products. Batch processing occurs everywhere and I think, you know, my prediction is to going back to the boat

is going to be real a impediment and we absolutely don't want to see that happen here for the same reasons.

I know the Notice says you're going to be reviewing, you know, how this system might work for these few species, but that's very, very disappointing. Also, it's disappointing that the gear type is going to have to be listed too -- that's another thing we don't have to do in the United States and another reason why most of us in the domestic industry argued against doing it in this program -- because we think it's going to set a precedent and a dead -- the dead fish -- the gear type seems to be a domestic political issue with some of the rating groups that are popping up everywhere.

And I'm extremely disappointed and I think the domestic industry probably largely is that gear types will also have to be noted in this new program. You know, the other thing is I think - I don't think we ought to do it before the EU does. There's some language in there about the fact the EU's not ready to go there - go here yet, but, you know, if we go first and, you know, with a promise that the EU will follow.

We give them another competitive advantage to add to the myriad competitive advantages that the EU now holds over the United States' producers and exporters. So those are some of my comments. Last thing is I would encourage you to go ahead -- you say you are -- to work on a voluntary Trusted Trader Program. Looking ahead towards the day when we're going to have to apply this program to everything that we import. And so those are my comments -- I appreciate the opportunity to make them. Thank you.

John Henderschedt: Thanks, (Jeff).

Coordinator: Thank you, our next question is from (Rick Marx). Sir, your line is open.

(Rick Marx):   Thank you, John, Chris, Laurel -- thanks for your time today. One question, John, you mentioned during your presentation that NOAA was separately going to develop a comparable Traceability Program for domestic species -- I think I got that right. Can you give us a sense of what that process will entail and your timing please?

John Henderschedt: (Rick), thank you for your question and if that is the impression that I gave you, then I misspoke. What I intended to convey is that the Seafood Traceability Program applies to both domestic and to imported seafood -- both wild capture and aquaculture.

However, to the extent that implementation of that program requires the collection of certain harvest, living data, etcetera, we already have access to all of the data necessary for US wild capture fisheries to ensure that we are essentially able to review the same information for domestic wild capture fisheries that we are asking for our importers to provide.

So we have done an extensive analysis to ensure that we have access to those same data for all the species to which this rule applies. I will go back to the scope of the rule which is from the harvest -- or the production -- to the point of entry into US Commerce. And for purposes of establishing this Traceability Program for US domestic wild capture seafood, we're interpreting that from harvest to the point of first landing.

And so if you think about the data that are collected currently for the purposes of fisheries' management and monitoring in the US, those pretty much are the data that we - that are collected through various state and federal initiatives. And so there's not need to establish any further data reporting requirements for domestic fisheries.

Thanks again for your question.

Coordinator: Thank you, our next question is from (Todd Clark). Your line is open, sir.

(Todd Clark): Hey, John, just another quick question. In the rules - in the program you discuss additional species and products maybe subsequently added to the program or identified for inclusion in the Traceability Program. Do you have any - is there - what's going to be next - what's the - do you have an idea for what the next species are that are going to be added to this list?

John Henderschedt: Thanks for your question, (Todd). I don't have - certainly don't have any suggestion or insight into what species those would be. The - if you review the action plan that I referenced earlier -- in Recommendation 15, it describes the delivery of a report by the National Ocean Council Committee in December of 2016 that will evaluate implementation to date, identify barriers to expanding the program to all species and discussing potential measures to get around those barriers.

So obviously there's - we have learned a lot to this point -- we have a lot more to learn, I'm sure, through the implementation. And as the program develops, there will be additional opportunities to comment and I think it notes in the Preamble the rule that adding additional species would require a new rule making. And so that will be an entirely separate process. Thanks, (Todd).

Coordinator: Thank you, our next question is from (John Simeone) -- your line is open.

(John Simeone): Thank you very much for the ability to ask a third question. This question pertains to ITDS -- the International Trade Data System. It's my under - any kind of overlap that the IUU - that these proposed rules will have with the US

Lacey Act. It's my understanding -- looking at the International Trade Data System -- that there's a future pilot program that would be an import pilot where it would involve the US Lacey Act rulings. I'm very much interested in hearing the - seeing folks talk about the overlap with the way you describe your IUU - these new proposed tools per-risk-based compliance.

As you likely know, just less than one month ago the US Department of Justice prosecuted US Company Lumber Liquidators under criminal charges of the Lacey Act for $13 million in fines. And part of that -- for importing illegal wood.

And so I'm interested in part of that prosecution under the Lacey Act -- was to establish a five-year oversight by the US Department of Justice - was to establish - require Lumber Liquidators to establish a risk-based compliance program internally and internalize a lot of these costs.

And I'm very interested in knowing if you are on the fisheries and seafood side -- if you are also looking at that (bill) of sorts of risk-based programs and the precedents - the precedent that this recent one-month-ago US Department of Justice case had as relation to for timber as that overlaps with the same risk-based compliance that might be expected for efficiency (consector) companies. Thank you.

John Henderschedt: So, (John), thank you for your question and for your comments. I have to say that at least some of your question, I think, is sort of outside of the parameters of the proposed rule -- and I really want to remain focused on clarifying the elements and the processes captured within the rule and the Preamble.

I will say that, you know, the Traceability Program itself is as described -- a data collection process. It is being promulgated under the Magnuson-Stevens Reauthorization Act and under its data collection authorities. Obviously, should there be an enforcement case, US Government would bring to bear whatever are the appropriate, you know, enforcement and legal instruments that pertains to whatever that case might include.

Thank you for - again for your question.

Coordinator: Thank you, our next question is from (Ian Morris). Your line is open.

(Ian Morris): Hi, thank you very much and this is kind of a follow-up to a earlier comment on batch processing. It's out experience that many, many processors receive -- even in the course of just one day -- product from many different harvesters. As a result, the identity of the - each individual harvester is lost in the course of processing.

My question is does NOAA anticipate being prepared to accept data sets for one entry line that may very well entail the data from many different harvesters -- and the identifying information that goes with those harvesters -- all attributed to one particular entry line? Thank you.

Chris Rogers: Hi, this is Chris Rogers. Thanks for the question. We already have experience with this -- if you may be familiar with the Dolphin-safe labeling requirements in our Form 370 program -- the Fisheries Certificate of Origin which must establish that the Tuna is appropriately labeled as Dolphin-safe if it bears that mark -- and we trace that back to the vessel.

You're absolutely correct that in the case of batch processing of Tuna, a particularly entry line may have associated catch documents from several

different harvest events -- in fact I think the record of a particular import is 70 different harvest events were included in Form 370 -- so for a single shipment. So we do anticipate that and just to be clear -- we're not asking that each individual -- let's say 10 -- has to be traced back to an individual harvest event. But the shipment should contain all of the descriptors for the harvest events that contribute to that shipment.

John Henderschedt: Thanks for your question.

Coordinator: Thank you, our next question is from (Cindy Thomas). Ma'am, your line is open.

(Cindy Thomas): Yes, customs entry is a - essentially a two-step process where you have entry and entry summary. At entry, you -- there's a very limited amount of data that's submitted and then within 10 days you'd filed entry summary electronically with more detailed information.

So do you intend for (unintelligible) elements to be submitted at entry or entry summary?

Chris Rogers: Hi, this is Chris Rogers. Yes, we're aware of that. For the most part, the vast majority of entries are filed in a single process -- entry summary -- entry (unintelligible)-- entry summary. And we'll be working with Customs to set up the business rules in the ITDS environment to accept the message set as part of the entry summary.

So if there are any particular pieces of information that you feel are not available for you to supply at the entry stage, then they would have to be supplied at the entry summary stage if you do a two-step process. But for the

most part, we anticipate it will be a combined entry/entry summary single-step process.

John Henderschedt: Thanks for your question.

Coordinator: Thank you, our next question is from Mr. (Tia Posee). Sir, your line is open.

(Tia Posee):   Thank you. For canned Tuna, is there any part of the Tuna Track and Verification Program -- does this new program differ that much -- or is it basically the same form, same steps -- or is it additional and documentation going to be required?

Chris Rogers: Again, this is Chris Rogers. Thanks for the question. For the most part, it will be the same with respect to the message set that is required upon entry - entry summary. And in the image files of the Form 370 that will be submitted, the real difference will be in the recordkeeping requirement where additional information on the chain of custody may be required and would have to be produced for an - if that particular entry was subject to audit.

John Henderschedt: Thank you.

Coordinator: Thank you and currently there are no further questions. Again, if you'd like to ask a question, please press Star 1. And speakers, I'm showing no further questions at this time.

John Henderschedt: Let's give folks another minute or so.

Coordinator: Okay, one moment. Thank you, our next question is from (Sara Lewis). Mam, your line is open.

(Sara Lewis):   Thank you. I was just wondering if you could clarify how you're going to ask for reporting information on harvest area.

John Henderschedt: Yes.

(Sara Lewis):   Or area of harvest region?

John Henderschedt: So right now it's described as harvest area. We've received a lot of comments with respect to -- for instance, FAO harvest areas and we are - we continue to seek comment on the specificity of those harvest areas. But we would certainly want to address this in a way that was balancing both being specific enough to be useful, but also as flexible as possible given the fact that different countries and different regions have different naming methodologies or boundaries.

So we do want to - we want for this program to be as flexible and as accommodative regional fishery management practices as possible. And we would appreciate further comments on how to address that in fishing area.

Laurel Bryant: Operator, can you prompt them one more time?

Coordinator: Certainly. Again, if you'd like to ask a question, please press Star 1 and record your name at the prompt. One moment. And our next question is from (Josh Madara's) line -- your line is open sir.

(Josh Madara):   Good afternoon. Thank you all and thanks very much to John, Chris and Laurel for getting us all this far. Couple of quick clarifying questions. First on the issue of whether or not these scanned documents will be sufficient for verification. Can you elaborate a little more on that, John, I wasn't clear from (Roberta's) earlier comment exactly where that stood?

Second question with regards to Shrimp -- would all Shrimp be delayed if that -- if Shrimp is decided that it's not ready yet or would aquaculture Shrimp be delayed and wild Shrimp moved forward?

John Henderschedt: Good afternoon, (Josh). I'm going to address your second question and then ask Chris if he has any clarifications to make with respect to scanned documents.

So this rule-making, as you know, is focused at the species level primarily through the at-risk species process -- will be implemented through the use of HTS codes. And we would therefore anticipate that the implementation -- is at the species level -- so it's our expectation that we would want to have -- need to have -- both wild capture and aquaculture Shrimp data -- and the same for Abalone covered at the time that this is implemented.

And so as I said, we are in the process of working with federal and state partners to try to address those issues for both Shrimp and Abalone. I would like to note just in terms of implementation in general that the rule asks for comments on the time it will take the trade community to come into compliance with this new regulation.

And the agency is proposing a range of 90 days to 12 months following publication of the final rule -- and we seek comments on that implementation period. So I'd now like to turn things over to Chris to address this question of scanned documents.

Chris Rogers: Okay, thanks, John and thanks (Josh) for the question. John had mentioned earlier in the presentation that we have another proposed rule out for comment at this time and that was the integration within the International Trade Data

System of three existing trade import monitoring programs we have. The provisions of that proposed rule require in certain instances both a message set -- which is the electronic data entry -- as well as the images of certain documents that are required.

So because of that, we've worked with Customs to implement both a message set -- the electronic data -- and the document image facility within our implementation of the International Trade Data System. Under this proposed rule for the at-risk species, we are not proposing any documents have to be scanned. However, the ability to do so exists if parties wanted to associate documents with their filing.

As the rule is proposed, it would be the electronic message set -- certain data elements be filed about that harvest event -- filed as a message set with the entry filing and that any supporting documents -- particularly with respect to chain of custody would be a recordkeeping requirement on the part of the Importer of Record.

It gets a little bit more complicated, as the question was raised previously about the overlap between the Seafood Traceability Program and some of the existing programs like the Tuna Tracking and Verification Program. So that's where it comes into play explicitly for example -- the Tuna Tracking and Verification Program -- as we've incorporated -- or proposed to incorporate in ITBS, does require a scanned document -- the NOAA Form 370 and any supporting statements to establish the Dolphin-safe labeling -- or use of hat Dolphin-safe market.

Things like the - a captain's statement or a observer's statement -- those Tuna products -- as John mentioned -- are also covered under the Seafood Traceability Program. So again, there's some overlap in the case of the Tuna

products -- yes, document images are required -- but they're required under the Tuna Tracking Verification Program -- not under the Seafood Traceability Program. In the end, it really comes down to the Tariff Code that is used for that entry filing.

There's going to be a set of business rules programmed by Customs and the ACE environment -- the Automated Commercial Environment which says, "Here's the Tariff Code. This is of interest and as you - when your fishery service, these are the data requirements, these are the image form requirements associated with making an entry onto that Tariff Code."

So it will be in essence transparent to the entry file -- or its one set of requirements, but they may derive from different programs.

John Henderschedt: Thanks, (Josh).

Laurel Bryant: Next question, Operator?

Coordinator: Thank you, our next question is from (Ian Morris). Your line is open.

(Ian Morris):   Hi, thank you very much. This is a follow-up to the batch processing question. No, I'm not familiar with the Dolphin program, but let's use that as illustration. Is it your expectation that some of the product from each of the 70 Dolphin vessels was in that one line -- or were all 70 vessels just fishing for that one supplier in the course of that year?

In other words, what degree of linkage need there be between the data set of harvesters and the particular line -- does it actually need to have - traced back to those particular vessels or could those particular vessels just be fishing for that supplier during that -- say processing season? Thank you.

Chris Rogers: Thank you for that question, (Ian). No, there is an expectation that there is an association between the product in the shipment that's offered per-entry and the production events that are described on those Form 370s. So it shouldn't be the case where a processing firm would say, "Well, we received product from these 15 vessels over the course of the last month, so let's just use all 15 of those documents."

They would have to make some association in the processing -- not necessarily separate in the processing line between the vessels -- but to know that as they process the off-loadings from those vessels that they contributed to certain lot numbers -- or certain cartons. And as the shipment is assembled for export and eventual import into the US, there is an ability to say that this product came from any one of these described harvesting events.

John Henderschedt: Thank you, (Ian).

Laurel Bryant: All right, now we don't have anybody in the queue, but if anybody has any additional comments, questions?

Coordinator: Again, that would be Star 1, correct.

John Henderschedt: So I just want to thank everyone for joining us this afternoon. It has been instructive and I hope that it has clarified for you any questions that you had about the contents of the proposed rule. We look forward to your written comments as well and invite you to be as detailed and as particular in those comments as you choose. It really is your opportunity to help us shape what is, I think, a very important rule-making. So thank you again for participating and have a good afternoon.

Laurel Bryant: Thanks, John. And thanks everybody -- just a reminder, you can access this
                  proposed rule and access the interactive window at the Federal Register to
                  make those comments through the Web portal at iuufishing.noaa.gov -- and
                  thanks everybody for joining us.

Coordinator: And thank you for participating in today's conference. That does conclude this
                  call. Please disconnect your line and speakers stand by for post-conference.

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